Report Titled 'The Amenaments, Church of the Vanishing Wealth'

2042. SHRI SUBRAMANIAN SWAMY: Will te Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a news-item captioned 'The Armenians, Church of Vanishing Wealth which appeared in "The Statesman" Calcutta on the 20th December, 1989;

(b) if so, what follow-up action has been taken in the matter;

(c) whether Government are aware that the money illegally obtained by Mr. Malcolm H. Sookias and Roma Sookias has been illegally converted into foreign exchange and invested by the above mentioned persons in real estate in Australia;

(d) whether Government have received any complaints about these illegal investments abroad by the above persons; and

(e) if so, what steps Government propose to take in the matter?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) to (e) After critically examining the information available though different sources including the news-item as well as complaint, the Directorate of Enforcement (FERA) searched the office and residential premises of M/s. R.S.I. India (Pvt.) Ltd. and its directors on 29-1-1990. As a result of the search, certain documents were recovered and seized. Since the case is presently at preliminary investigation stage, nothing definite can be said about the allegations of illegal conversion into foreign exchange and investments abroad by the Sookias.

Review of Modernisation Plan of Steel Plants

2043. SHRI KAMAL MORARKA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have made a review of the plan for modernisation of the steel plants;

(b) if so, what part of the modernisation plan can be undertaken by the indigenous agencies but is being given to foreign companies because of strings attached to the aid packages; and

(c) whether Government propose to review the decision and ensure that indigenous capacity is fully utilised before placing orders on foreign companies?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) to (c) Government are reviewing the proposal of Steel Authority of India Ltd. (SAIL) for modernisation of the Burnpur Works of the Indian Iron and Steel Co. (IISCO) as well as the question of procurement of supplies and services under the foreign packages of Rourkela Steel Plant (RSP) modernisation project. The review has high costs and foreign exchange requirment for the project as also Government's commitment to optimise the utilisation of indigenous capability and to reduce reliance on foreign technology. While reviewing these proposals, Government would ensure that indigenous capacity is fully utilised and foreign exchange and imports curtailed to the minimum feasible and that the supplies and services are not contracted out to foreign companies in case they can be executed cost-effectively by indigenous agencies.